Senate File 2205 - Introduced

SENATE FILE 2205 BY WHITVER

A BILL FOR

- 1 An Act relating to the promulgation and review of
- 2 administrative rules.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 1 Section 1. Section 17A.1, subsection 4, Code 2011, is 2 amended to read as follows:
- 3 4. In accomplishing its objectives, the intention of this
- 4 chapter is to strike a fair balance between these purposes and
- 5 the need for efficient, economical and effective government
- 6 administration. The intention of this chapter is to apply a
- 7 consistent, full-time effort toward making Iowa's regulatory
- 8 climate one which is more hospitable, obtains more input from
- 9 the citizens of Iowa, and is more transparent.
- 10 5. The chapter is not meant to alter the substantive rights
- 11 of any person or agency. Its impact is limited to procedural
- 12 rights with the expectation that better substantive results
- 13 will be achieved in the everyday conduct of state government by
- 14 improving the process by which those results are attained.
- 15 Sec. 2. Section 17A.4, subsection 1, paragraph b, Code 2011,
- 16 is amended to read as follows:
- 17 b. (1) Afford all interested persons not less than twenty
- 18 days to submit data, views, or arguments in writing, including
- 19 in an electronic format. If feasible, an electronic format may
- 20 include the use of electronic mail and posting to an internet
- 21 site. If timely requested in writing by twenty-five interested
- 22 persons, by a governmental subdivision, by the administrative
- 23 rules review committee, by an agency, or by an association
- 24 having not less than twenty-five members, the agency must give
- 25 interested persons an opportunity to make oral presentation.
- 26 (2) To the extent practicable, the agency shall provide
- 27 an opportunity to make oral presentations using the Iowa
- 28 communications network or other electronic means and provide
- 29 public access at multiple sites throughout the state. If
- 30 a request is received from twenty-five interested persons
- 31 residing in the same city or county, the agency shall provide
- 32 an opportunity for oral presentation in that city or county.
- 33 (3) The opportunity for oral presentation must be held
- 34 at least twenty days after publication of the notice of its
- 35 time and place in the Iowa administrative bulletin. The

- 1 agency shall consider fully all written and oral submissions
- 2 respecting the proposed rule. Within one hundred eighty
- 3 days following either the notice published according to the
- 4 provisions of paragraph "a" or within one hundred eighty
- 5 days after the last date of the oral presentations on the
- 6 proposed rule, whichever is later, the agency shall adopt a
- 7 rule pursuant to the rulemaking proceeding or shall terminate
- 8 the proceeding by publishing notice of termination in the Iowa
- 9 administrative bulletin.
- 10 Sec. 3. Section 17A.4, subsections 2 and 3, Code 2011, are
- 11 amended to read as follows:
- 12 2. An agency shall include in a preamble to each rule
- 13 it adopts a brief explanation of the principal reasons for
- 14 its action pursuant to section 17A.5 a concise statement
- 15 of the principal reasons for and against the rule adopted,
- 16 incorporating in the statement the reasons for overruling
- 17 considerations urged against the rule and, if applicable, a
- 18 brief explanation of the principal reasons for its failure to
- 19 provide in that rule for the waiver of the rule in specified
- 20 situations if no such waiver provision is included in the rule.
- 21 This explanatory requirement does not apply when the agency
- 22 adopts a rule that only defines the meaning of a provision of
- 23 law if the agency does not possess delegated authority to bind
- 24 the courts to any extent with its definition. In addition, if
- 25 requested to do so by an interested person, either prior to
- 26 adoption or within thirty days thereafter, the agency shall
- 27 issue a concise statement of the principal reasons for and
- 28 against the rule adopted, incorporating therein the reasons for
- 29 overruling considerations urged against the rule. This concise
- 30 statement shall be issued either at the time of the adoption of
- 31 the rule or within thirty-five days after the agency receives
- 32 the request.
- 33 3. a. When an agency for good cause finds that notice and
- 34 public participation would be unnecessary, impracticable, or
- 35 contrary to the public interest, the provisions of subsection 1

- 1 shall be inapplicable. The agency shall incorporate in each
- 2 rule issued in reliance upon this provision either the finding
- 3 and a brief statement of the reasons for the finding, or a
- 4 statement that the rule is within a very narrowly tailored
- 5 category of rules whose issuance has previously been exempted
- 6 from subsection 1 by a special rule relying on this provision
- 7 and including such a finding and statement of reasons for the
- 8 entire category. A rule adopted pursuant to this subsection
- 9 shall only remain in effect for one hundred eighty days, unless
- 10 a shorter period is specified in the rule.
- 11 b. If the administrative rules review committee by a
- 12 two-thirds vote, the governor, or the attorney general files
- 13 with the administrative code editor an objection to the
- 14 adoption of any rule pursuant to this subsection, that rule
- 15 shall cease to be effective one hundred eighty days after
- 16 the date the objection was filed. A copy of the objection,
- 17 properly dated, shall be forwarded to the agency at the time of
- 18 filing the objection. In any action contesting a rule adopted
- 19 pursuant to this subsection, the burden of proof shall be on
- 20 the agency to show that the procedures of subsection 1 were
- 21 impracticable, unnecessary, or contrary to the public interest
- 22 and that, if a category of rules was involved, the category was
- 23 very narrowly tailored.
- 24 Sec. 4. Section 17A.4A, Code 2011, is amended to read as
- 25 follows:
- 26 17A.4A Regulatory analysis.
- 27 l. a. An agency shall issue a regulatory analysis of
- 28 a proposed rule that complies with subsection 2, paragraph
- 29 "a", if, within thirty-two days after the published notice of
- 30 proposed rule adoption, a written request for the analysis is
- 31 submitted to the agency by the administrative rules review
- 32 committee or the administrative rules coordinator. An agency
- 33 shall issue a regulatory analysis of a proposed rule that
- 34 complies with subsection 2, paragraph "b", if the rule would
- 35 have a substantial impact on small business and if, within

- 1 thirty-two days after the published notice of proposed rule
- 2 adoption, a written request for analysis is submitted to the
- 3 agency by the administrative rules review committee, the
- 4 administrative rules coordinator, at least twenty-five persons
- 5 signing that request who each qualify as a small business or by
- 6 an organization representing at least twenty-five such persons.
- 7 If a rule has been adopted without prior notice and an
- 8 opportunity for public participation in reliance upon section
- 9 17A.4, subsection 3, the written request for an analysis that
- 10 complies with subsection 2, paragraph "a" or "b", may be made
- 11 within seventy days of publication of the rule.
- 12 b. An agency shall issue a regulatory analysis of a rule
- 13 that complies with subsection 2, paragraph b'', if the rule is a
- 14 proposed rule, or has been adopted without prior notice and an
- 15 opportunity for public participation, if the rule would have an
- 16 adverse impact on small business. A regulatory analysis issued
- 17 pursuant to this paragraph shall be published as part of the
- 18 notice of proposed rule adoption or published along with a rule
- 19 that has been adopted without notice.
- 20 2. a. Except to the extent that a written request for
- 21 a regulatory analysis expressly waives one or more of the
- 22 following, the regulatory analysis must contain all of the
- 23 following:
- 24 (1) A description of the classes of persons who probably
- 25 will be affected by the proposed rule, including classes that
- 26 will bear the costs of the proposed rule and classes that will
- 27 benefit from the proposed rule.
- 28 (2) A description of the probable quantitative and
- 29 qualitative impact of the proposed rule, economic or otherwise,
- 30 upon affected classes of persons, including a description of
- 31 the nature and amount of all of the different kinds of costs
- 32 that would be incurred in complying with the proposed rule.
- 33 (3) The probable costs to the agency and to any other agency
- 34 of the implementation and enforcement of the proposed rule and
- 35 any anticipated effect on state revenues.

- 1 (4) A comparison of the probable costs and benefits of the 2 proposed rule to the probable costs and benefits of inaction.
- 3 (5) A determination of whether less costly methods or 4 less intrusive methods exist for achieving the purpose of the
- 5 proposed rule.
- 6 (6) A description of any alternative methods for achieving 7 the purpose of the proposed rule that were seriously considered 8 by the agency and the reasons why they were rejected in favor 9 of the proposed rule.
- 10 b. In the case of a rule that would have a substantial
- 11 an adverse impact on small business, the regulatory analysis
- 12 must contain a discussion of whether it would be feasible and
- 13 practicable to do any of the following to reduce the impact of
- 14 the rule on small business:
- 15 (1) Establish less stringent compliance or reporting 16 requirements in the rule for small business.
- 17 (2) Establish less stringent schedules or deadlines in
- 18 the rule for compliance or reporting requirements for small
- 19 business.
- 20 (3) Consolidate or simplify the rule's compliance or
- 21 reporting requirements for small business.
- 22 (4) Establish performance standards to replace design or
- 23 operational standards in the rule for small business.
- 24 (5) Exempt small business from any or all requirements of 25 the rule.
- 26 c. The agency shall reduce the impact of a proposed rule
- 27 that would have a substantial an adverse impact on small
- 28 business by using a method discussed in paragraph b'' if the
- 29 agency finds that the method is legal and feasible in meeting
- 30 the statutory objectives which are the basis of the proposed
- 31 rule. For purposes of judicial review, a small business shall
- 32 be deemed to be aggrieved or adversely affected by an agency
- 33 determination that it would not be legal and feasible to reduce
- 34 the impact of a rule.
- 35 3. Each regulatory analysis must include quantifications

- 1 of the data to the extent practicable and must take account of 2 both short-term and long-term consequences.
- Upon receipt by an agency of a timely request for
- 4 a regulatory analysis, the agency shall extend the period
- 5 specified in this chapter for each of the following until at
- 6 least twenty days after publication in the administrative
- 7 bulletin of a concise summary of the regulatory analysis:
- The end of the period during which persons may make
- 9 written submissions on the proposed rule.
- The end of the period during which an oral proceeding may 10 11 be requested.
- 12 C. The date of any required oral proceeding on the proposed 13 rule.
- 14 In the case of a rule adopted without prior notice and an 5.
- 15 opportunity for public participation in reliance upon section
- 16 17A.4, subsection 3, the summary must be published within
- 17 seventy days of the a request made pursuant to subsection 1,
- 18 paragraph "a".
- The published summary of the regulatory analysis 19 6.
- 20 issued pursuant to subsection 1, paragraph "a", must also
- 21 indicate where persons may obtain copies of the full text
- 22 of the regulatory analysis and where, when, and how persons
- 23 may present their views on the proposed rule and demand
- 24 an oral proceeding thereon if one is not already provided.
- 25 Agencies shall make available to the public, to the maximum
- 26 extent feasible, the published summary and the full text of
- 27 the regulatory analysis described in this subsection in an
- 28 electronic format, including, but not limited to, access to the
- 29 documents through the internet.
- If the agency has made a good faith effort to comply 30
- 31 with the requirements of subsections 1 through 3, the rule
- 32 may not be invalidated on the ground that the contents of the
- 33 regulatory analysis are insufficient or inaccurate.
- 34 For the purpose of this section, "small business"
- 35 means any entity including but not limited to an individual,

- 1 partnership, corporation, joint venture, association, or
- 2 cooperative, to which all of the following apply:
- 3 (1) It is not an affiliate or subsidiary of an entity
- 4 dominant in its field of operation.
- 5 (2) It has either twenty or fewer full-time equivalent
- 6 positions or less than one million dollars in annual gross
- 7 revenues in the preceding fiscal year.
- 8 b. For purposes of this definition, "dominant in its field
- 9 of operation" means having more than twenty full-time equivalent
- 10 positions and more than one million dollars in annual gross
- ll revenues, and "affiliate or subsidiary of an entity dominant in
- 12 its field of operation" means an entity which is at least twenty
- 13 percent owned by an entity dominant in its field of operation,
- 14 or by partners, officers, directors, majority stockholders,
- 15 or their equivalent, of an entity dominant in that field of
- 16 operation.
- 9. By July 1, 2013, and every five years thereafter, each
- 18 agency shall review all existing rules under its purview to
- 19 determine whether such rules should be continued without
- 20 change, or should be amended or rescinded, consistent with
- 21 the stated objectives of the applicable statutes, to minimize
- 22 the economic impact of the rules on small businesses in a
- 23 manner consistent with the stated objectives of the applicable
- 24 statutes. If the agency determines that completion of the
- 25 review of existing rules is not feasible by July 1, 2013,
- 26 the agency shall publish notice of that finding in the Iowa
- 27 administrative bulletin. The agency may then extend the
- 28 completion date by one year at a time for a total of not more
- 29 than five years. In reviewing rules to minimize the economic
- 30 impact of the rules on small businesses, the agency shall
- 31 consider all of the following factors:
- 32 a. The continued need for the rule.
- 33 b. The nature of complaints or comments received from the
- 34 public concerning the rule.
- 35 c. The complexity of the rule.

- 1 d. The extent to which the rule overlaps, duplicates, or
- 2 conflicts with other federal, state, or local governmental
- 3 statutes, ordinances, or rules.
- 4 e. The length of time since the rule has been evaluated or
- 5 the degree to which technology, economic conditions, or other
- 6 factors have changed in the area affected by the rule.
- 7 Sec. 5. NEW SECTION. 17A.4B Negotiated rulemaking.
- 8 1. An agency shall create a negotiated rulemaking group to
- 9 view draft rule proposals if required by statute. An agency
- 10 may, on its own motion or upon request, create a negotiated
- ll rulemaking group if the agency determines that a negotiated
- 12 rulemaking group can adequately represent the interests
- 13 that will be significantly affected by a draft rule proposal
- 14 and that it is feasible and appropriate in the particular
- 15 rulemaking. Notice of the creation of a negotiated rulemaking
- 16 group shall be published in the Iowa administrative bulletin.
- 17 Upon establishing a negotiated rulemaking group, the agency
- 18 shall also specify a time frame for group deliberations.
- 19 2. Unless otherwise provided by statute, the agency shall
- 20 appoint a sufficient number of members to the group so that
- 21 a fair cross section of opinions and interests regarding the
- 22 draft rule proposal is represented. One person shall be
- 23 appointed to represent the agency. The group shall select its
- 24 own chairperson and adopt its rules of procedure. All meetings
- 25 of the group shall be open to the public. A majority of the
- 26 membership constitutes a quorum. Members shall not receive
- 27 any per diem payment but shall be reimbursed for all necessary
- 28 expenses. Any vacancy shall be filled in the same manner as
- 29 the initial appointment.
- 30 3. Prior to the publication of a notice of intended action,
- 31 the group shall consider the terms or substance of the rule
- 32 drafted by the agency and shall attempt to reach a consensus
- 33 concerning the draft rule proposal.
- If a group reaches a consensus on a draft rule proposal,
- 35 the group shall transmit to the agency a report containing the

- 1 consensus on the draft rule proposal. If the group does not
- 2 reach a consensus on a draft rule proposal within the specified
- 3 time frame, the group shall transmit to the agency a report
- 4 stating that inability to reach a consensus and specifying any
- 5 areas in which the group reached a consensus. The group may
- 6 include in a report any other information, recommendations,
- 7 or materials that the group considers appropriate. Any group
- 8 member may include as an addendum to the report additional
- 9 information, recommendations, or materials. A report issued
- 10 under this subsection shall not be considered final agency
- 11 action for purposes of judicial review.
- 12 5. Unless otherwise provided by statute, following a
- 13 negotiated rulemaking group consideration of a draft rule
- 14 proposal, the agency may commence rulemaking as provided in
- 15 section 17A.4. The group is automatically abolished upon the
- 16 agency's adoption of the rule pursuant to the provisions of
- 17 section 17A.5.
- 18 Sec. 6. NEW SECTION. 17A.6A Searchable rules database.
- 19 1. Each agency shall make available to the public a
- 20 searchable rules database, published on an internet site
- 21 detailing all of the rules promulgated by the department.
- 22 2. By January 1, 2014, each agency shall develop and make
- 23 publicly available a database internet site for searching and
- 24 accessing the rules promulgated by the agency.
- 25 3. The searchable internet site developed pursuant to this
- 26 section shall allow the public at no cost to search and compile
- 27 the information provided pursuant to this subsection. Each
- 28 agency shall provide the following:
- 29 a. The rules promulgated by the agency.
- 30 b. Date of last review of all of its rules under section
- 31 17A.7.
- 32 c. Any regulatory analysis issued under section 17A.4A.
- 33 d. Minutes of any public hearing conducted pursuant to
- 34 section 17A.4.
- 35 e. Any other relevant information specified by the agency.

- 1 4. Effective July 1, 2014, the internet site shall be
- 2 updated regularly as new data and information become available,
- 3 but all data and information shall be updated no less
- 4 frequently than annually within thirty days following the close
- 5 of the state fiscal year.
- 6 5. The agency is not in compliance with this section if
- 7 the data required for the internet site is not available in
- 8 a searchable manner or if the public is redirected to other
- 9 government internet sites unless each of those sites displays
- 10 information from all agencies and each category of information
- ll required can be searched electronically by field in a single
- 12 search.
- 13 Sec. 7. Section 17A.7, Code 2011, is amended by adding the
- 14 following new subsection:
- 15 NEW SUBSECTION. 3. Over a five-year period of time, an
- 16 agency shall conduct an ongoing and comprehensive review of
- 17 all of the agency's rules. The goal of the review is the
- 18 identification and elimination of all rules of the agency that
- 19 are outdated, redundant, overbroad, ineffective, unnecessary,
- 20 or otherwise undesirable. An agency shall commence its review
- 21 by developing a plan of review in consultation with major
- 22 stakeholders and constituent groups. As part of its review, an
- 23 agency shall review existing policy and interpretive statements
- 24 or similar documents to determine whether it would be necessary
- 25 or appropriate to adopt these statements or documents as rules.
- 26 a. An agency shall establish its five-year plan for review
- 27 of its rules and publish the plan in the Iowa administrative
- 28 bulletin.
- 29 b. An agency's plan for review shall do all of the
- 30 following:
- 31 (1) Contain a schedule that lists when the review of each
- 32 rule or rule group will occur.
- 33 (2) State the method by which the agency will determine
- 34 whether the rule under review meets the criteria listed in this
- 35 subsection.

- 1 (3) Provide a means for public participation in the review 2 process and specify how interested persons may participate in 3 the review.
- 4 (4) Identify instances where the agency may require an 5 exception to the review requirements.
- 6 (5) Provide a process for ongoing review of rules after the 7 initial five-year review period has expired.
- 8 c. An agency shall consider all of the following criteria 9 when reviewing its rules:
- 10 (1) The need for the rule.
- 11 (2) The clarity of the rule.
- 12 (3) The intent and legal authority for the rule.
- 13 (4) The qualitative and quantitative benefits and costs of 14 the rule.
- 15 (5) The fairness of the rule.
- 16 d. When an agency completes its five-year review of its
- 17 rules, the agency shall provide a summary of the results to the
- 18 administrative rules coordinator and the administrative rules
- 19 review committee.
- Sec. 8. Section 17A.23, Code 2011, is amended to read as
- 21 follows:
- 22 17A.23 Construction delegation of authority.
- 23 l. Except as expressly provided otherwise by this chapter
- 24 or by another statute referring to this chapter by name, the
- 25 rights created and the requirements imposed by this chapter
- 26 shall be in addition to those created or imposed by every other
- 27 statute in existence on July 1, 1975, or enacted after that
- 28 date. If any other statute in existence on July 1, 1975, or
- 29 enacted after that date diminishes a right conferred upon a
- 30 person by this chapter or diminishes a requirement imposed upon
- 31 an agency by this chapter, this chapter shall take precedence
- 32 unless the other statute expressly provides that it shall take
- 33 precedence over all or some specified portion of this named
- 34 cited chapter.
- 35 2. This chapter shall be construed broadly to effectuate

- 1 its purposes. This chapter shall also be construed to apply
- 2 to all agencies not expressly exempted by this chapter or by
- 3 another statute specifically referring to this chapter by
- 4 name; and except as to proceedings in process on July 1, 1975,
- 5 this chapter shall be construed to apply to all covered agency
- 6 proceedings and all agency action not expressly exempted by
- 7 this chapter or by another statute specifically referring to
- 8 this chapter by name citation.
- 9 3. An agency shall have only that authority or discretion
- 10 delegated to or conferred upon the agency by law and shall not
- 11 expand or enlarge its authority or discretion beyond the powers
- 12 delegated to or conferred upon the agency. Unless otherwise
- 13 specifically provided in statute, any grant of rulemaking
- 14 authority shall be construed narrowly.
- 15 Sec. 9. NEW SECTION. 17A.24 Implementation of federal
- 16 statute, regulation, or policy.
- 1. Except as otherwise explicitly authorized by state law, a
- 18 state administrative agency charged with the implementation of
- 19 a federal statute, regulation, or policy shall not exceed the
- 20 specific requirements of that statute, regulation, or policy.
- 21 2. Any portion of a state administrative agency rule or
- 22 policy that is in violation of subsection 1 is void.
- 23 3. For purposes of judicial review, an individual or
- 24 business shall be deemed to be aggrieved or adversely affected
- 25 by an agency determination that the state rule does not exceed
- 26 the federal statute, regulation, or policy.
- 27 Sec. 10. Section 68B.2, subsection 13, paragraph b,
- 28 subparagraph (8), Code 2011, is amended to read as follows:
- 29 (8) Persons whose activities are limited to submitting
- 30 data, views, or arguments in writing, including in an
- 31 electronic format, or requesting an opportunity to make an oral
- 32 presentation under section 17A.4, subsection 1.
- 33 Sec. 11. ENVIRONMENTAL PROTECTION AGENCY AND DEPARTMENT OF
- 34 NATURAL RESOURCES STUDY. A commission of twelve members is
- 35 created to comprehensively review all proposed and existing

- 1 rules in order to assess the effects of current and proposed
- 2 environmental protection agency and department of natural
- 3 resources rules on Iowa cities over a ten-year period.
- 4 1. Commission membership. The commission shall consist of
- 5 the following members:
- 6 a. The director of the department of natural resources or
- 7 designee.
- 8 b. Three environmental group representatives, to be
- 9 appointed by the governor and to serve at the pleasure of the
- 10 governor.
- 11 c. Two city representatives, to be appointed by the governor
- 12 and to serve at the pleasure of the governor.
- d. Two county representatives, to be appointed by the
- 14 governor and to serve at the pleasure of the governor.
- e. Four members of the general assembly serving as
- 16 ex officio, nonvoting members, one representative to be
- 17 appointed by the speaker of the house of representatives, one
- 18 representative to be appointed by the minority leader of the
- 19 house of representatives, one senator to be appointed by the
- 20 majority leader of the senate after consultation with the
- 21 president of the senate, and one senator to be appointed by the
- 22 minority leader of the senate.
- 23 2. Organization and operation.
- 24 a. The commission shall select its own chairperson and
- 25 establish its rules of procedure.
- 26 b. By December 1, 2012, the commission shall hold at least
- 27 three public hearings throughout Iowa to listen to the concerns
- 28 of Iowa citizens.
- 29 c. The commission may also meet as deemed necessary by the
- 30 chairperson.
- 31 d. A majority of the members of the commission shall
- 32 constitute a quorum.
- 33 e. Members shall serve without compensation, but may be
- 34 reimbursed for actual expenses.
- 35 f. The economic development authority shall provide staff

- 1 support for the commission.
- 2 3. Report. The commission shall submit recommendations
- 3 to the general assembly, the office of lean enterprise, and
- 4 the governor on or before January 15, 2013, identifying rules,
- 5 policies, or procedures for which the negative effects on
- 6 Iowa's cities outweigh the intended benefits, and identifying
- 7 rules, policies, or procedures for which the benefits on Iowa's
- 8 cities outweigh the negative effects.
- 9 4. Termination. The commission shall terminate upon
- 10 submission of its report to the general assembly.
- 11 EXPLANATION
- 12 This bill relates to the administrative rulemaking process
- 13 utilized by state agencies.
- 14 The bill amends Code section 17A.1 to provide that it is the
- 15 intention of the law to apply a consistent, full-time effort
- 16 toward making a rulemaking climate "which is more hospitable,
- 17 obtains more input from the citizens of Iowa and is more
- 18 transparent".
- 19 The bill amends Code section 17A.4 to require administrative
- 20 agencies, when feasible, to hold rulemaking hearings in
- 21 varied locations throughout the state and to allow citizens to
- 22 participate in administrative rules hearings remotely through
- 23 electronic means.
- 24 The bill requires that every adopted rule must be
- 25 accompanied by a concise statement of the principal reasons
- 26 for and against the rule adopted. Under current law such a
- 27 statement is only provided on request.
- 28 The bill also provides that so-called "emergency" rules,
- 29 adopted without notice and public participation, are in effect
- 30 for only 180 days.
- 31 The bill amends Code section 17A.4A to revise the procedure
- 32 for requesting a regulatory analysis for proposed rules.
- 33 This analysis required under current law is essentially a
- 34 cost-benefit study identifying the impact of a rule on the
- 35 affected public and, in the case of a rule that would have a

- 1 substantial impact on small business, the regulatory analysis 2 must contain a discussion of whether it would be feasible and 3 practicable to reduce the impact of the rule on small business. The bill requires an analysis on every new rule which has an 5 adverse impact on small business and requires the analysis to 6 be published in the Iowa administrative bulletin along with the 7 new rule. If an agency determines that it would not be legal 8 and feasible to reduce the adverse impact on small business, a 9 small business would have judicial standing to challenge that 10 determination in district court. The bill also requires a 11 periodic review of all rules to minimize the economic impact 12 of the rules on small businesses. The initial review must be 13 completed by July 1, 2013, and will be repeated every five 14 years. 15 The bill creates new Code section 17A.4B to provide that if 16 required by statute, an agency shall create an ad hoc group to 17 review draft rule proposals prior to commencing a rulemaking 18 proceeding. Where a statute does not require this review, the 19 bill allows an agency to create such a review group. 20 are appointed by the agency and the composition must adequately 21 represent a fair balance of the interests affected by the rule. 22 Once such a group is created, the agency may only commence 23 rulemaking after the group has considered the draft rule 24 proposal in question. The bill is based on similar provisions 25 found in the federal Administrative Procedures Act. The bill creates new Code section 17A.6A to require that each 26 27 agency make available a searchable database and internet site 28 detailing all of the rules promulgated by the agency. 29 The bill amends Code section 17A.7 to require that each 30 agency review all of its administrative rules on a five-year 31 cycle.
- 32 The bill amends Code section 17A.23 to establish a new rule
- 33 of statutory construction: Unless otherwise specifically
- 34 provided in statute, any grant of rulemaking authority shall
- 35 be construed narrowly.

- 1 The bill creates Code section 17A.24 which provides that
- 2 state implementation of a federal statute, regulation, or
- 3 policy by a state administrative agency shall not exceed the
- 4 specific requirements of the federal statute, regulation,
- 5 or policy, except as specifically allowed by state law.
- 6 Any portion of a state rule or policy in violation of this
- 7 requirement is void.
- 8 The bill creates a commission to comprehensively review
- 9 and assess the effects of current and proposed environmental
- 10 protection and department of natural resources rules on
- 11 Iowa cities over a 10-year period. The bill defines the
- 12 commission's membership, mandates at least three public
- 13 hearings throughout Iowa, and establishes basic rules for the
- 14 commission. The commission terminates upon submission of its
- 15 report in January of 2013.